

REPRESENTATIVE FOR PETITIONER:
Robert Hanson, Secretary, Vincennes Gun Club, Inc.

REPRESENTATIVE FOR RESPONDENT:
Catherine Lane, Knox County Assessor

**BEFORE THE
INDIANA BOARD OF TAX REVIEW**

Vincennes Gun Club, Inc.,)	Petition No.:	42-024-14-2-8-00001
)		
Petitioner,)	Parcel No.	42-12-31-400-036.000-024
)		
v.)	County:	Knox
)		
Knox County Assessor,)	Assessment Year:	2014
)		
Respondent.)		

Appeal from the Final Determination of the
Knox County Property Tax Assessment Board of Appeals

January 20, 2017

FINAL DETERMINATION

The Indiana Board of Tax Review (the Board) having reviewed the facts and evidence, and having considered the issues, now finds and concludes the following:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Vincennes Gun Club, Inc. appealed the denial of its exemption application. After examining the evidence presented, we find the Club failed to prove that the predominant use of the subject property was for purposes exempt from taxation under Indiana law.

PROCEDURAL HISTORY

2. The Club applied for an exemption on the subject property for the 2014 assessment year. The Knox County Property Tax Assessment Board of Appeals determined it was 100% taxable. The Club timely appealed this decision to the Indiana Board of Tax Review.
3. On October 27, 2016, our designated Administrative Law Judge, Andrew Howell, held a hearing on the Club's exemption application. Robert Hanson, the Club's Secretary, represented the Club. Catherine Lane, the Knox County Assessor, represented herself.
4. The following people testified under oath:
 - Robert Hanson, Secretary, Vincennes Gun Club, Inc.
 - Robert McClure, Treasurer, Vincennes Gun Club, Inc.
 - Catherine Lane, Knox County Assessor
 - Amy Conner, Knox County Deputy Assessor
5. Neither party offered any exhibits. The record includes the following: (1) all pleadings, and documents filed with the Board and (2) all orders and notices issued by the Board, (3) a digital recording of the hearing.

FINDINGS OF FACT

6. The Club is a 501(c)(7) non-profit organization under the Internal Revenue Code. It operates the subject property as a community gun range. Membership costs \$10 per person. Membership is not required to use the club, and the facilities are available free of charge. None of the officers are paid. Instead, money earned from membership dues goes toward equipment necessary for the operation of the range. The Club also donates empty clay pigeon boxes to the local food pantry. Finally, free gun safety classes are offered at the Club. *Hanson, McClure testimony.*

CONCLUSIONS OF LAW

7. Although tangible property in Indiana is generally taxable, the legislature has exercised its constitutional power to exempt certain types of property. *See Indianapolis Osteopathic Hospital, Inc. v. Dep't of Local Gov't Fin.*, 818 N.E.2d 1009, 1014 (Ind. Tax Ct. 2004). A taxpayer bears the burden of proving that its property qualifies for an exemption. *Id.*
8. All or part of a building that is owned, occupied and predominantly used for educational, literary, scientific, religious, or charitable purposes is exempt from taxation. *See* Indiana Code § 6-1.1-10-16(a); I.C. § 6-1.1-10-36. That exemption extends to the land on which the building is situated. I.C. § 6-1.1-10-16(c).
9. Evaluating whether a property is owned, occupied, and used for exempt purposes is a “fact sensitive inquiry; There are no bright-line tests.” *Jamestown Homes of Mishawaka, Inc. v. St. Joseph County Assessor*, 914 N.E. 2d 13, 14 (Ind. Tax Ct. 2009). Exemption statutes are strictly construed against the taxpayer. *See New Castle Lodge #147, Loyal Order of Moose, Inc. v. State Board of Tax Commissioners*, 733 N.E.2d 36, 38 (Ind. Tax Ct. 2000), *aff'd*, 765 N.E.2d 1257 (Ind. 2002). Every exemption case “stand[s] on its own facts,” and it is the Petitioner’s duty to walk the Board through the analysis. *Indianapolis Osteopathic Hospital, Inc. v. Dep't of Local Gov't Fin.*, 818 N.E.2d at 1009, 1014 (Ind. Tax Ct. 2004); *Long v. Wayne Twp. Assessor*, 821 N.E.2d 466, 471.
10. In addition, the subject property must be predominately used for exempt purposes. *New Castle Lodge #147, Loyal Order of Moose, Inc.*, 765 N.E.2d 1257, 1259 (Ind. 2002). “Property is predominately used or occupied for one (1) or more stated purposes if it is used or occupied for one (1) or more of those purposes during more than fifty percent (50%) of the time that it is used or occupied in the year that ends on the assessment date of the property.” I.C. § 6-1.1-10-36.3(a).

11. The Club’s primary argument for why it should receive an exemption was that the Club is recognized as a 501(c)(7) organization. However, non-profit status does not guarantee an exemption from Indiana property taxes. *See Raintree Friends Housing, Inc. v. Indiana Department of Revenue*, 667 N.E. 2d 810, 813 (Ind. Tax Ct. 1996) (non-profit status does not automatically entitle a taxpayer to a tax exemption). Instead, an organization must prove that it meets one of the statutorily exempt purposes described above.
12. The Club failed to argue that it used the subject property for any of the purposes specifically exempt under the law. Nevertheless, some of the evidence indicates potential charitable or educational uses.
13. A charitable purpose will generally be found to exist if: (1) there is evidence of relief of human want manifested by obviously charitable acts different from the everyday purposes and activities of man in general; and (2) there is an expectation that a benefit will inure to the general public sufficient to justify the loss of tax revenue. *College Corner, L.P. v. Department of Local Government Finance*, 840 N.E.2d 905, 908 (Ind. Tax Ct. 2006) (*citing Indianapolis Elks Bldg. v. State Board of Tax Commissioners*, 145 Ind. App. 522, 251 N.E.2d 673, 682 (Ind. Ct. App. 1969))
14. We do not find that operating a community gun range is manifestly “relief of human want.” And the club has failed to point to any authority supporting that conclusion. The Club also offered evidence of the boxes it donated to the local food pantry. While admirable, these donations appear incidental to the use of the property. Thus, we find the Club failed to prove that it used the property for a charitable purpose.
15. An exemption may also be granted for an educational use. Even assuming that the classes offered at the Club qualify as educational, the Club has still failed to make its case. As discussed above, the claimed exempt use of a property must be the predominant use. *See New Castle Lodge* at 1259. The Club did not offer any evidence as to what percentage of the time it used the subject property for classes as opposed to other uses. If the Club had offered evidence to show that over 50% of the use of the property was

devoted to education, it might have qualified for a partial exemption. Because it failed to do so, we can grant no relief.

16. Finally, we note that the Club argued that other purportedly similar organizations received exemptions. The Club did not offer any details about these organizations, and regardless, the Club needed to present evidence about how it used the particular property under appeal. Evidence about the exemption status of other organizations is insufficient.

SUMMARY OF FINAL DETERMINATION

17. The Club failed to prove that the predominant use of the subject property was for an exempt purpose. Thus, the subject property is 100% taxable.

The Final Determination of the above captioned matter is issued by the Indiana Board of Tax Review on the date written above.

Chairman, Indiana Board of Tax Review

Commissioner, Indiana Board of Tax Review

Commissioner, Indiana Board of Tax Review

- APPEAL RIGHTS -

You may petition for judicial review of this final determination under the provisions of Indiana Code § 6-1.1-15-5 and the Indiana Tax Court's rules. To initiate a proceeding for judicial review you must take the action required not later than forty-five (45) days after the date of this notice. The Indiana Code is available on the Internet at <<http://www.in.gov/legislative/ic/code>>. The Indiana Tax Court's rules are available at <<http://www.in.gov/judiciary/rules/tax/index.html>>.